

UNITED STATES BANKRUPTCY COURT  
FOR THE DISTRICT OF MARYLAND  
(Baltimore Division)

In re:	)	
	)	
BAY MANAGEMENT, LLC	)	Case No: 09-21660-DK
	)	Chapter 11
	)	
Debtor.	)	
	)	

**NOTICE OF INTENTION TO CEASE OPERATIONS**

TO ALL CREDITORS AND PARTIES IN INTEREST:

PLEASE TAKE NOTICE that pursuant to Termination Notices from Thomas Kurrikoff on behalf of Blockbuster Inc. and dated November 9, 2009 ("Notices"), Bay Management, LLC ("Debtor"), by and through its undersigned counsel Stinson Morrison Hecker LLP, seeks to cease operations of the stores located at the following locations:

Address	Store No.
1209 N. Lee Highway, Suite A, Lexington, VA 24450	92941
1910 Arlington Blvd., Charlottesville, VA 22903	92942
445 North Franklin Street, Christiansburg, VA 24073	92946
1950 Abbey Road E-160, Charlottesville, VA 22911	92991
1980 S. Pleasant Valley Road, Winchester, VA 22601	90202
52 Kingston Drive, Daleville, VA 24083	92945
901-A4 W. Broad St., Waynesboro, VA 22980	51033
3106 Old Forest Road, Lynchburg, VA 24501	51034
4848 S. Amherst Highway, Suite 100, Madison Heights, VA 24572	51035
2020 Rio Hill Center, Charlottesville, VA 22901	51051
131 Electric Road, Salem VA 24153	92595
21054 Timber Lake Road, Lynchburg, VA 24502	92607
133 Enterprise Drive, Danville, VA 24540	92610
903 Hardy Road, Vinton, VA 24179	92612
1810 East Market Street, Harrisonburg, VA 22801	92614
5002 Airport Road, Roanoke, VA 24012	92616
851 Statler Blvd., Staunton, VA 24401	92625
100 West Commonwealth Blvd., Martinsville, VA 24112	92627
4014 Electric Road, Roanoke, VA 24014	92631
800 University Blvd., Blacksburg, VA 24060	92768

(the "Stores"). The Debtor has been unable to reach any agreements with any party or to continue to pay operating expenses and, therefore, in accordance with the Notices, the Debtor plans to close the

Stores and will allow Blockbuster Inc. to terminate the franchises for the Stores, pursuant to their franchise agreements. A copy of each Notice is attached hereto and incorporated herein as Exhibit A. Please note that the franchise agreements are made by and between Blockbuster Inc. and the individual stores, and not with the Debtor. The Debtor is giving notice, however, because the Debtor operated the Stores. If no objections are filed, operations will cease effective December 31, 2009.

**PLEASE TAKE FURTHER NOTICE THAT PURSUANT TO LOCAL BANKRUPTCY RULE 2002-1, A PARTY IN INTEREST MAY FILE AND SERVE AN OBJECTION TO THIS NOTICE ON OR BEFORE DECEMBER 29, 2009 OR WITHIN 20 DAYS OF THE MAILING OF THIS NOTICE. Any such objections must be filed with the Clerk's Office, U.S. Bankruptcy Court, Garmatz Federal Courthouse, 101 West Lombard Street, Suite 8530, Baltimore, MD 21201. If objections are filed, a hearing may be held at the United States Bankruptcy Court for the District of Maryland, Baltimore Division.**

**IF NO OBJECTIONS ARE FILED, THE BANKRUPTCY COURT MAY CONSIDER THE NOTICE TO BE UNOPPOSED, AND THE CLOSING OF THE STORES MAY BE EFFECTIVE WITHOUT A HEARING AND WITHOUT FURTHER NOTICE TO YOU. IF ANY OBJECTIONS ARE FILED, THE COURT SHALL SET A HEARING FOR JANUARY 6, 2009 AT 10:00 A.M. AT COURTROOM 1-B, BALTIMORE, WITH THE OTHER PENDING MATTERS.**

Any questions may be directed to the undersigned.

Dated: December 9, 2009

Respectfully Submitted,

/s/ Janet M. Nesse

Janet M. Nesse, No. 07804  
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*Counsel for the Debtor*

**CERTIFICATE OF SERVICE**

I hereby certify that a copy of the foregoing Notice of Intention to Cease Operations was mailed, first class mail, postage prepaid, on the 9<sup>th</sup> day of December, 2009 to all creditors of the estate as set out on the attached mailing matrix and the Office of the United States Trustee.

Respectfully submitted,

/s/ Janet M. Nesse  
Janet M. Nesse